

**CITY OF MEDIAPOLIS**

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD**  
**JULY 1, 2014 THROUGH JUNE 30, 2015**

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## City of Mediapolis

### Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Larry Flaherty	Mayor	Dec 2015
Robert Gerling	Council Member	Dec 2015
Chuck Massner	Council Member	Dec 2017
Tim Licko	Council Member	Dec 2015
Gina Riherd	Council Member	Dec 2017
Clark "Lee" Kerr	Council Member	Dec 2017
Julia Tribbey	City Clerk	Indefinite

# **TED M. WIEGAND, CPA**

606 East Madison Street  
Mount Pleasant, Iowa 52641

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable Mayor  
and Members of the City Council:

I have performed the procedures enumerated below which were established pursuant to Chapter 11.6 of the Code of Iowa enacted by the Iowa Legislature to provide oversight of certain Iowa cities. Accordingly, I have applied certain tests and procedures to selected accounting records and related information of the City of Mediapolis for the period July 1, 2014 through June 30, 2015. The City of Mediapolis' management, which agreed to the performance of the procedures performed, is responsible for the City's records.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures I performed are summarized as follows:

1. I reviewed selected City Council meeting minutes for compliance with Chapters 21, 372.13(6) and 380 of the Code of Iowa.
2. I reviewed the City's internal controls to determine if proper control procedures are in place and incompatible duties, from a control standpoint, are not performed by the same employee.
3. I reviewed surety bond coverage for compliance with Chapter 64 of the Code of Iowa.
4. I obtained and reviewed the City Clerk's financial reports and selected two bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances and monthly financial reports provided to the City Council.
5. I reviewed City funds for consistency with the City Finance Committee's recommended Uniform Chart of Accounts (COA) and to determine required funds and fund balances are properly maintained and accurately accounted for.
6. I reviewed the City's fiscal year 2015 Annual Financial Report to determine whether it was completed and accurately reflects the City's financial information.
7. I reviewed investments to determine compliance with Chapter 12B of the Code of Iowa.
8. I reviewed compliance with Chapters 12C.2, 12B.10B and 556.1(12) of the Code of Iowa pertaining to required depository resolutions, investment policy and reporting of unclaimed property to the State of Iowa.

9. I reviewed debt, including general obligation and revenue bonds/notes, and related transactions for proper authorization and compliance with Chapters 75, 384 and 403.9 of the Code of Iowa and to determine whether the debt and related proceeds and repayments were properly accounted for.
10. I reviewed and tested selected tax increment financing (TIF) transactions, including receipts, disbursements and transfers, for compliance and accurate accounting, including compliance with the TIF reporting requirements of Chapter 384.22 of the Code of Iowa.
11. I reviewed the City's TIF debt certification forms filed with the County Auditor, including requests for collection of reduced TIF amounts and to decertify certain TIF obligations, as applicable, for proper support and compliance with Chapter 403.19(6) of the Code of Iowa.
12. I reviewed and tested selected receipts for accurate accounting and consistency with the recommended COA.
13. I reviewed and tested selected disbursements for proper approval, adequate supporting documentation, accurate accounting and consistency with the recommended COA and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.
14. I reviewed and tested selected payroll and related transactions for propriety, proper authorization and accurate accounting.
15. I reviewed the annual certified budget for proper authorization, certification and timely amendment.

Based on the performance of the procedures described above, I identified various recommendations for the City. My recommendations are described in the Detailed Recommendations section of this report. Unless reported in the Detailed Recommendations, items of non-compliance were not noted during the performance of the specific procedures listed above.

These agreed upon procedures do not constitute an audit of financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Had I performed additional procedures, or had I performed an audit of the City of Mediapolis, additional matters might have come to my attention that would have been reported to you.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Mediapolis and other parties to whom the City of Mediapolis may report. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of the City of Mediapolis during the course of my agreed-upon procedures. Should you have any questions concerning any of the above matters, I would be pleased to discuss them with you at your convenience.

TED M. WIEGAND, CPA

March 9, 2016

City of Mediapolis

Detailed Recommendations

For the Period July 1, 2014 through June 30, 2015

- (A) Clerk's Report – The Clerk does not report expenditures by function versus the budget to the City Council on a monthly basis.

Recommendation – The Clerk should begin to report expenditures by function versus the budget to the City Council on a monthly basis.

- (B) Certified Budget – Disbursements during the year ended June 30, 2015 exceeded the amount budgeted in the community and economic development, general government, and debt service functions. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

Recommendation – The budget should be amended in accordance with Chapter 384.18 of the Code of Iowa before actual disbursements exceed the budget. The amount budgeted for debt service should include any fees that are assessed.

- (C) Annual Financial Report – I noted certain misstatements reported on the June 30, 2015 Annual Financial Report:

- (1) A transfer was reported from the TIF Special Revenue Fund to the Special Revenue Fund in the amount of \$6,761 that should not have been reported.
- (2) A transfer from the TIF Special Revenue Fund to the General Fund in the amount of \$18,370 should have been reported.

Recommendation – The City should be careful to report transfers properly on the Annual Financial Report. The beginning balances for the General, Special Revenue, and TIF Special Revenue Funds will need to be corrected on the June 30, 2016 Annual Financial Report to agree with the Clerk's records.

- (D) Financial Condition – The Community and Economic Development Fund had a deficit balance of \$3,381 at June 30, 2015.

Recommendation – The City should investigate alternatives to eliminate this deficit in order to return this fund to a sound financial position.

- (E) Library minutes – Approved wage increases were reported in the library minutes merely as a percentage increase, and the actual wage amount was not reported.

Recommendation – For proper disclosure, the new approved wage or salary amount should be published in the library minutes.